

Report on first status conference by telephone held today June 1st, 2021 in the case before Judge Delgado PRIVILEGED AND CONFIDENTIAL ATTORNEY WORK PRODUCT

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Summary of today's proceedings:

Judge first and only asked: "What is this case about?"

Plaintiff Teal Peak went first: Attorney Adrián Sánchez gave a summary of his theory of the case, very brief and lacking in detail. He started by saying Goldman was selling his home (false, this was an unsolicited offer) the parties negotiated, reached an agreement and started due diligence. In the middle of his lineal presentation he made an awkward point of insisting that Ferraoui never gave advice to Teal Peak nor assisted in the contract negotiations and that Ferraoui's previous representation of Goldman had nothing to do with this case. He then continued making representations that Goldman received a better offer from a third-party Goldman asked it to match it. Teal Peak did not match it and withdrew from the negotiations. Then Goldman approached Teal Peak again claiming the other offer had been withdrawn and negotiations restarted, and that Teal Peak timely exercised its option, but Goldman mysteriously became unresponsive, did not cooperate and failed to close. He insisted that the closing was set for December 15th, 2020 over and over, that his client had resolved the Lis Pendens recorded by real estate broker Kleis and even insists he has an email from Kleis' attorney agreeing to voluntarily withdraw the complaint (we questioned that assertion strenuously during the hearing). His bottom-line is that this looks like a case of cold feet where he believes the seller decided not to close for his own reasons thinking he was selling too low but has not returned the money paid on deposit. It was a detached, unemotional presentation glossing over the facts of the case, avoiding the allegations of conflict of interest and lack of transparency.

It was then my turn. I first answered the Judge's question. The case involves the sale of my client's ancestral home, built by his parents and where he grew up. It involves dolus, misrepresentations which vitiated the negotiations and multiple conflicts of interest by the Ferraoui firm which cannot be ignored. If the conflict of interest does not exist why the firm resigned and walked away from the case immediately after the motion for disqualification was filed. Where there is smoke, there is fire and we are not just talking about the appearance of conflict, we are beyond that because it is false to allege the previous representation of Mr. Goldman by Ferraoui had nothing to do with this case because the previous representation had to do in fact with the very same piece of real estate subject of this case. Furthermore, Teal Peak conveniently ignored from its minimalistic presentation that the same firm also represented the third-party buyer Mr. Lee whose offer was mysteriously withdrawn with no explanation and by a Ferraoui attorney! Then we presented the entire timetable of the Kleis case and how the timely intervention of my firm avoided the entry of a default judgment against Mr. Goldman and the case's dismissal just last week. Thus, the case was not ready for closing, among other reasons. We also informed the court that the plaintiff contradicts itself. In the original complaint it properly alleged that the closing was to take place on or before December 23rd, 2020 but with its amended complaint and now in court the buyer insists the closing was scheduled for December 15th, 2020. I took the opportunity to indicate to the court that we have evidence that the closing statement was sent for the first time to Mr. Goldman December 16th, 2020. I went through the medical issues with Mr., Goldman, his state of mind, his inability to be in Puerto Rico due to medical issues, and then due to Covid. I then went into how Mr. Goldman became aware at the eve of the closing that he had been taken advantage of by the plaintiff, the deception regarding Ferraoui and the misrepresentation regarding Kleis. I advised the court that once Mr. Goldman became aware of this lack of honesty, he informed the notary public and his gut reaction was that it was a "shitstorm" which indeed it was. I reinforced on the court that Mr. Goldman